

(i) If the PHA has increased the payment standard applicable to the family, the increased payment standard is used;

(ii) If the PHA has adopted new occupancy standards, the payment standard for the appropriate unit size under the PHA's new occupancy standards is used;

(iii) If the family's size or composition has changed, the payment standard for the appropriate unit size is used.

(3) *Rule when a family moves.* When a family moves to another unit, the PHA must apply a different payment standard if one of the following circumstances applies:

(i) If the PHA has increased or decreased the payment standard applicable to the family, the new payment standard is used;

(ii) If the PHA has adopted new occupancy standards, the payment standard for the appropriate size under the PHA's new occupancy standards is used;

(iii) If the family's size or composition has changed, the payment standard for the appropriate unit size is used.

(4) *Request for interim reexamination.* Redetermination of the housing assistance payment as a result of an interim reexamination under § 887.357 does not affect the payment standard applicable to the family.

(c) *No housing assistance payments for vacancies.* If a family moves out of the unit, the owner must notify the PHA promptly, and the PHA may not make any additional housing assistance payments to the owner for any month after the month during which the family moves. The owner may retain the housing assistance payment for the month during which the family moves.

(d) *When the housing assistance payment exceeds the rent to owner.* Normally, the entire housing assistance payment, determined under paragraph (a)(1) of this section, is paid by the PHA to the owner. When the family must pay some or all of its utilities directly, however, the housing assistance payment may occasionally exceed the rent to owner. In this case, the PHA must pay the excess (subject to the minimum rent determination in para-

graph (a)(3) of this section) to the family or, with the consent of the family and the utility company, either jointly to the family and the utility company or directly to the utility company. For example, if the payment standard is \$500, and 30 percent of a family's monthly adjusted income equals \$120, the housing assistance payment would be \$380. If the rent to owner is \$350, and the utility allowance is \$150, the PHA pays \$350 to the owner and the remaining \$30 of the housing assistance payment to the family as a utility reimbursement.

(e) *Assisting more families.* If a PHA determines that some or all of the available annual contributions under its ACC are not needed for participating families, including future adjustments of housing assistance payments and portability moves, it may assist more families.

§ 887.355 Regular reexamination of family income and composition.

(a) The PHA must reexamine family income and family size and composition at least annually, and in accordance with part 813 of this chapter. At the time of the annual reexamination of family income and composition, the PHA must require the family to disclose and verify Social Security Numbers, as provided by part 5, subpart B, of this title. For requirements regarding the signing and submitting of consent forms by families for the obtaining of wage and claim information from State Wage Information Collection Agencies, see part 5, subpart B, of this title.

(b) At the first regular reexamination after June 19, 1995, the PHA shall follow the requirements of 24 CFR part 5 concerning obtaining and processing evidence of citizenship or eligible immigration status of all family members. Thereafter, at each regular reexamination, the PHA shall follow the requirements of 24 CFR part 5 concerning verification of the immigration status of any new family member.

(c) At the regular reexamination, the PHA must adjust the housing assistance payment made on behalf of the family to reflect any changes in the family's monthly income, monthly adjusted income, size, or composition.

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The PHA must use the appropriate payment standard, as provided in § 887.353.

(Approved by the Office of Management and Budget under control number 2577-0083)

[53 FR 34388, Sept. 6, 1988, as amended at 54 FR 39709, Sept. 27, 1989; 56 FR 7543, Feb. 22, 1991; 60 FR 14847, Mar. 20, 1995; 61 FR 11119, Mar. 18, 1996; 61 FR 13625, Mar. 27, 1996]

§ 887.357 Interim reexamination of family income and composition.

A family may request a redetermination of the housing assistance payment at any time, based on a change in the family's income, adjusted income, size or composition. See 24 CFR 750.10(d)(2)(i) for the requirements for the disclosure and verification of Social Security Numbers at interim reexaminations involving new family members. For requirements regarding the signing and submitting of consent forms by families for the obtaining of wage and claim information from State Wage Information Collection Agencies, see 24 CFR part 760. At any interim reexamination after June 19, 1995 that involves the addition of a new family member, the PHA shall follow the requirements of 24 CFR part 5 concerning obtaining and processing evidence of citizenship or eligible immigration status of the new family member.

[56 FR 7543, Feb. 22, 1991, as amended at 60 FR 14847, Mar. 20, 1995; 61 FR 13626, Mar. 27, 1996]

§ 887.359 Changes in family size or composition.

(a) If the PHA determines that a unit does not meet the housing quality standards because of an increase in family size or a change in family composition, the PHA must issue the family a new housing voucher. The PHA must comply with requirements of § 887.261.

(b) A family may not be required to move because of a decrease in family size after initial occupancy of a unit. The family may rent a unit with a greater number of bedrooms than indicated on the housing voucher.

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§ 887.361 Adjustment of utility allowances.

(a) *Annual review.* At least annually, the PHA must determine: if there has been a substantial change in utility rates or other charges of general applicability that would require an adjustment in any utility allowance on the PHA's utility allowance schedule; or if there were errors in the original determination of the utility rates or other charges of general applicability that would require an adjustment in any utility allowances on the schedule.

(b) *Required adjustment.* If the PHA determines that an adjustment is necessary under paragraph (a) of this section, it must establish a new schedule of utility allowances, taking into account the size and type of dwelling units and other applicable factors.

(c) *Adjustments in housing assistance payments.* The PHA must determine if adjustments to utility allowances affect the amount of housing assistance paid on behalf of the family by recalculating the minimum rent under § 887.353(a)(2).

(Information collection requirements contained in this section have been approved by the Office of Management and Budget under control number 2502-0161)

§ 887.363 Housing assistance payments equal to zero.

(a) Under the formula in § 887.353 for calculating the housing assistance payment on behalf of a family, no housing assistance payment is made whenever either 30 percent of the family's monthly adjusted income equals or exceeds the payment standard or 10 percent of the family's monthly income equals or exceeds the rent to owner plus any applicable utility allowance. Cessation of housing assistance payments does not affect the family's other rights under the lease, nor does it prevent the resumption of payments as the result of later changes in family income, family size or composition, or other relevant circumstances during the term of the housing voucher contract.

(b) When one year has elapsed since the date of the last housing assistance payment made under the housing